GOVERNMENT OF INDIA
POWER
LOK SABHA

UNSTARRED QUESTION NO:4037
ANSWERED ON:18.04.2002
FOREIGN INVESTMENT IN POWER SECTOR
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Will the Minister of POWER be pleased to state:

(a) the total foreign investment in India in power sector as on March 31, 2002;

(b) the total amount of private investment in respective States for 25 MW Hydel Power generation programme as on March 31, 2002;

(c) the total liability of the State Electricity Boards of West Bengal, U.P., Bihar,Madhya Pradesh, Gujarat, Maharashtra and Punjab as on March 31, 2002; and

(d) the policy initiative the Government is contemplating to stabilise the Electricity Boards?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI JAYAWANTI MEHTA)

(a) to (c) : Information is being collected and will be laid on the Table of the House.

(d) : With a view to improve the financial position of the State ElectricityBoards (SEBs), the Government of India (GOI) has embarked on a policy of reforms and restructuring of power sector. GOI has signed Memoranda of Understanding (MOU)with twenty States. The MOUs are a joint commitment of the Center and the States toundertake reforms in a time bound manner. The State Governments` commitment in these MOUs include constitution/ operationalisation of SERCs, 100% metering of 11 KVfeeders, energy audit, reduction of technical and commercial losses, achievement of commercial viability in distribution etc.

GOI has committed its support through additional allocation of powerfrom Central Generating Stations and financial assistance through Accelerated Power Development Programme (APDP) for strengthening of sub-transmission and distributionas well as for renovation and modernisation of thermal and hydel power plants. With a reformed and restructured power sector and setting up of regulatory commissions at the Centre and states, cash flow to SEBs or successor entities, is expected to improve.

Government has recently approved a scheme for one time settlement of the outstanding dues of SEBs towards the Central Public Sector Undertakings of the Ministry of Power, Department of Coal, Department of Atomic Energy and the Ministryof Railways. The scheme covers outstanding principal and Surcharge as on 30.9.2002. The scheme envisages conversion of outstanding dues into State Government tax-free bonds and provides for waiver of substantial part of Surcharge and cash incentives for timely payments. The scheme is linked to over all reforms to be undertaken by the States/SEBs and would help the SEBs/Utilities to clean up their books.

A Committee under the Chairmanship of Shri Deepak Parekh, Chairman,Infrastructure Development Finance Corporation (IDFC), has also been constituted on 27th March, 2002 to look into the Capital Restructuring and structural adjustmentfinancing of State Electricity Boards.